

ERIE COUNTY SEWER DISTRICT (ECSD) NO. 6
BOARD OF MANAGERS MEETING
JUNE 23, 2015
LACKAWANNA CITY HALL

MEMBERS PRESENT: Mr. James Balcarczyk, Mr. James Carr, Mr. Tony Collareno

OTHERS PRESENT: Messrs Patrick Breier, Steven Canestrari, Joseph Fiegl, Kevin Kaminski,
and Ms. Beth Pfalzer

ITEM NO. 1 – CALL MEETING TO ORDER

Mr. Balcarczyk called the meeting to order at 3:16 p.m.

ITEM NO. 2 – APPROVAL OF MINUTES OF PREVIOUS MEETING

Mr. Collareno moved, seconded by Mr. Balcarczyk, to approve the minutes from the April 14, 2015 meeting. The motion carried 3-0.

ITEM NO. 3 – ITEMS FROM THE PUBLIC

There were no items from the public

ITEM NO. 4 – NEW BUSINESS

a. Presentation and Approval of 2016 Budget

i. Proposed 2016 Budget (Handout)

Mr. Fiegl presented the ECSD No. 6 Budget to the Board. Overall, the ECSD No. 6 appropriations or expenses are budgeted in 2016 to decrease approximately \$7,000. However, due to the loss of available fund balance coupled with a decrease in the flow and assessed valuation in ECSD No. 6 customer base, the typical ECSD No. 6 ratepayer will have combined sanitary and storm sewer charges that will be approximately 4.9% higher than fiscal year 2015.

The sum of operation and maintenance expenses proposed in this budget has decreased approximately \$50,000, with the majority of this decrease attributed to fuel costs and utilities when compared to the 2015 budget. On the revenue side, user charges (water usage) are calculated to remain relatively flat while fund balance utilization is budgeted to decrease by approximately \$163,500. The amount of available fund balance dropped over \$300,000 from 12/31/13 to 12/31/14, which impacted the sewer district's utilization.

As noted previously, the impact to the typical ratepayer in ECSD No. 6 will be an increase of 4.9% or approximately \$1.75/month when compared to 2015.

Fringe benefits for employees are being calculated at 69.5% in this budget – same as the 2015 budget. Actual numbers are not available at this time, but this is a conservative estimate. There are factors outside the County's control that influence the rate. The County's Administration has attempted to address the rising fringe benefit costs with recent Union Contract proposals.

Item 2

The 2016 equipment line items represent \$236,640 of the ECSD No. 6 budget. The major items include the purchase of one vehicle, new/replacement treatment plant equipment, pumping equipment, shared items with the other Erie County Sewer Districts, and the ECSD No. 6 standard unanticipated replacement item.

Before going into specific details of the budget line codes, Mr. Fiegl explained that the budgets are developed conservatively, with the understanding that monies left over at year end are transferred to fund balance and utilized as revenue to offset future rate impacts. Items listed in the budget as "DSM" are expenses for the Downtown office. ECSD No. 6 contributes approximately 4.4% of these Downtown office expenses.

A review of the individual budget codes was provided. It was noted that several changes were made for consistency throughout the various Erie County Sewer District budgets. Therefore, certain items were "zeroed" with a corresponding increase elsewhere in the budget. Specific items highlighted included the budgeting on fuel, various changes in Maintenance and Repair supply codes, a misprint on the 2015 budget for code 506400, maintenance of monies in I&I repair and capital reserve allocations, decreases in utility costs, and personnel costs.

Mr. Collareno asked about funding sources for a local match if grants are available. Mr. Fiegl responded that grant funding is not as readily available as in the past. Mr. Carr added that currently there are limited grant programs, but are for specific purposes such as "green initiatives" and projects for Smart Growth. Mr. Fiegl stated the EPA shifted away from the construction grants program towards low interest loan funds and the Sewer District currently qualifies for a 0% interest rate. That being said, grant programs in which ECSD No. 6 qualifies are fully vetted. The study for the Lackawanna WWTP Elimination project is one example.

Fund balance usage as an offsetting revenue is budgeted at 60% of available balance. The available district fund balance at 12/31/14 represents approximately 3.3 months of 2016 budgeted appropriations. As noted previously, there was a large drop in the amount available; however, the DSM's general target of fund balance available in comparison to the budget appropriations is around 3 months, with higher amounts targeted for districts with certain liabilities. Therefore, it is believed that this level of fund balance is sufficient to protect the ratepayers of the district, particularly considering uncertainty related to legal challenges and regulatory requirements. This will be an item to monitor.

Mr. Balcarczyk asked if there would be an impact on the budget with construction of the in-fill housing in the First Ward. Mr. Fiegl replied that it may help slightly. Mr. Carr responded that if there were a second and third wave of construction it would help.

It is recommended for the 2016 Budget that the parcel charge be increased by \$2 to \$90.00 per parcel and the water use charge in ECSD No. 6 be increased to approximately \$3.47 / 1,000 gallons.

On a motion by Mr. Carr, seconded by Mr. Collareno, the Board voted to approve the 2016 Budget as proposed. The motion carried 3-0.

ii. 271 Resolution (Handout)

Mr. Fiegl presented to the Board the 271 Resolution for review and approval. Approximately 17% and 83% of the sanitary sewer tax levy shall be raised from the assessed value and parcel charges, respectively, with the parcel charge increased to \$90.00 per parcel. On a motion by Mr. Collareno, seconded by Mr. Carr, the Board voted to approve the Resolution. The motion carried 3-0.

b. I&I Approval for Compliance Hearing (Handout)

The Board reviewed a list of homeowners the DSM is recommending to be sent to a compliance hearing. The list is comprised of homeowners who have failed to allow a house inspection in accordance with the "Rules and Regulations for Erie County Sewer Districts." On a motion by Mr. Carr, seconded by Mr. Balcarczyk, the Board voted to send them to the Compliance Hearing. The motion carried 3-0.

c. Request for Drainage Pipe (Handout)

The Board received a letter from Mr. Anthony DeSantis, Commissioner of Public Works, for the City of Lackawanna requesting the DSM provide 646 LF of drainage pipe and four catch basins for subsequent drainage issues in the Michelle Drive subdivision. Mr. DeSantis noted the City would be responsible for the installation of the material and operation & maintenance of the drainage system. Mr. Carr noted that the DSM does not typically furnish drainage materials and would have to purchase the HDPE pipe required for the repair at expense to the District. Mr. Collareno supported the City stating that the proactive measure was necessary and whether or not the work was done by the DSM or the City the same taxpayers would still be affected and the proposed drainage pipe would be connected to the District's storm sewer system. Mr. Fiegl stated a concern that the County would supply materials for an asset not owned by the sewer district. On a motion by Mr. Collareno, seconded by Mr. Balcarczyk the Board voted to approve the request for drainage material. The motion carried 2-1.

Mr. Canestrari suggested that once the pipe is installed that DSM staff will RTK the assets and label as privately owned in the County's GIS.

ITEM NO. 5 – OLD BUSINESS

a. Notice of Petition – ISG Lackawanna LLC and Tecumseh Redevelopment Corporation – Bethlehem Steel – Article 78

Mr. Fiegl advised the Board that Counsel for the County and Tecumesh continue to meet regarding the Article 78 and he would advise the Board if a tentative agreement is reached.

ITEM NO. 6 - MISCELLANEOUS / INFORMATIONAL ITEMS

a. Operational Report

Mr. Canestrari reported that the City began their paving project, starting with Ridge Road. Sewer District staff worked with the City regarding preparation for the paving.

Mr. Fiegl reported the ECSD Central Maintenance staff has been working on the weekends doing various investigations of trouble spots and televising sink holes in an effort to prevent further issues.

Mr. Collareno advised Mr. Canestrari of a gap forming near a drain intake on Weisner Road at the corner of Abbott.

b. Pretreatment Report

Mr. Fiegl reported to the Board that the Division is in the process of retaining an engineer to evaluate ECSD No. 6 Local Limits in accordance with the EPA pretreatment guidelines. Currently, ECSD No. 6 does not have any categorical users in its system; however, considering the potential growth on the former Bethlehem Steel site, the County wants to be in position to provide proper guidance to these types of companies should they want to consider locating in ECSD No. 6.

c. Construction Report

i. Cured in Place Pipe Lining – Work Order Nos. 13 & 14 (Handout)

Mr. Carr reported that 2015 Work Order No. 13 for the Cured-in-Place Pipe Lining Contract was issued and will include: Steelawanna, Warsaw, Roland and Smith Streets. Work Order No. 14 was also issued including: Firestone, Berg, and Della streets.

ii. Kennedy Drive Contract

Mr. Carr reported to the Board that the Kennedy Drive Contract work was completed successfully by New Frontier Paving Inc. and the close out will be on the next meeting agenda.

iii. Sewer Manhole Rehabilitation Project – Bid Schedule (Handout)

Mr. Carr reviewed a bid schedule for an upcoming manhole rehabilitation contract. This project will be utilized for manholes Division wide.

d. Payments

There were no payments reported.

e. BSA District No. 6 WWTP Elimination Feasibility Study (Handout)

Mr. Fiegl reported to the Board that the Buffalo Sewer Authority and the Division issued a joint response to the NYSDEC. This letter was in response to their letter of March 2015 regarding the feasibility of eliminating the Lackawanna WWTP.

f. Botanical Gardens Force Main Connection (Handout)

Mr. Carr reported that the DSM received correspondence from the Erie County Department of Public Works stating the relocation of the sanitary force main from the Botanical Gardens had been relocated and has been accepted by the Division.

g. House Inspection Response (Handout)

The Board was informed that a homeowner, Mr. Jurek, had been sent erroneous homeowner violation notices in error. The DSM reviewed our inspection reports and subsequently responded to Mr. Jurek apologizing for the error and corrected our databases.

h. Kohl Construction – Article 78

Mr. Carr reported that the Erie County and Kohl Construction's Attorney have been meeting to resolve outstanding claims against this contract. Once an agreement is reached the Board would be phone polled to recommend close out.

Mr. Balcarczyk moved, seconded by Mr. Collareno, to receive and file the informational items. The motion carried 3-0.

ITEM NO. 7 – ADJOURNMENT & NEXT MEETING

Mr. Balcarczyk made a motion, seconded by Mr. Carr to cancel the July 8th ECSD No. 6 Board of Managers meeting. The motion carried 3-0.

Mr. Balcarczyk moved, seconded by Mr. Collareno, to adjourn the meeting at 4:35 p.m. The motion carried 3-0.

Respectfully submitted,


James A. Carr, P.E., Secretary
ECSD No. 6 Board of Managers

Motion to approve minutes of June 23, 2015

Moved By: _____

Seconded By: _____

Approved/Disapproved: _____

Date: _____

Signed: _____